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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation  
of the Securities Act of Washington by:

SDO - 73 - 01

SUMMARY ORDER TO CEASE AND DESIST

DENNIS EUGENE KLUVER,  
ALYN RICHARD WAAGE,  
TRI-WEST INVESTMENT CLUB, and  
HAARLEM UNIVERSAL CORPORATION

Case No. 01-01-007

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THE STATE OF WASHINGTON TO: DENNIS EUGENE KLUVER  
11821 N. Lancelot Dr.  
Spokane, WA 99218

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**STATEMENT OF CHARGES**

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Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, DENNIS EUGENE KLUVER, ALYN RICHARD WAAGE, TRI-WEST INVESTMENT CLUB, and HAARLEM UNIVERSAL CORPORATION, have violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

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**TENTATIVE FINDINGS OF FACT**

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**PARTIES**

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I.

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Tri-West Investment Club ("Tri-West") is a business entity of unknown form that purports to be "a worldwide private membership club" that assists its members with offshore investments, specifically in "Prime Bank Instruments." Tri-West Investment Club lists business addresses at 160 N. Front Street, PO Box 354,

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1 Belize City, Belize, East Bay Shopping Center, East Bay Street, Suite A-216, Nassau, Bahamas, and 1605-B  
2 Pacific Rim Ct., Suite MX78-204, San Diego, CA 92154.

3 II.

4 Haarlem Universal Corporation ("Haarlem") represents itself as a Panamanian Investment Company  
5 specializing in bond and currency trading, specifically "Prime Bank Instruments", with business addresses at  
6 East Bay Shopping Center, East Bay Street, Suite A-216, Nassau, Bahamas, and 1605-B Pacific Rim Ct., Suite  
7 MX78-204, San Diego, CA 92154. Haarlem was incorporated in Panama on June 15, 1999. Haarlem has no  
8 business or operations; it is a front corporation controlled by Waage.

9 III.

10 Alyn Richard Waage ("Waage") is a Canadian citizen and a resident of Puerto Vallarta, Mexico. Waage is  
11 the principal of Tri-West and controls Haarlem.

12 IV.

13 Dennis Eugene Kluver ("Kluver") is a Tri-West representative and club member. Kluver conducts  
14 business on behalf of Tri-West from his residence in Spokane, Washington.

15 **NATURE OF THE OFFERING**

16 V.

17 Tri-West maintains an Internet web site, <http://www.triwestinvest.com>. The web site identifies Tri-West  
18 as a private membership club offering to assist its members in offshore investing, specifically in "leveraged  
19 bond purchases." Tri-West further describes the "leveraged bond purchases" as "Prime Bank Instruments" that  
20 are "issued under the International Chamber of Commerce (ICC 400) guideline requirements for banking." The  
21 web site states that a board of directors operates the club and Jason Kingsley, Mark Goldman and Alan  
22 Richards conduct the day-to-day operations. The web site also identifies Jason Kingsley as the President of  
23 Tri-West. The web site states that Tri-West trades exclusively through Haarlem Universal Corporation and  
24 identified Alex Haarlem as the founder and chairman of Haarlem Universal Corporation. According to

1 information posted on the web site, "Haarlem Universal Corporation specializes in debenture and currency  
2 trading, representing individual and institutional investors with \$10,000,000 or more to invest. These trades  
3 generally show returns in excess of 300% per annum. This program is called the "Bank Debenture Trading  
4 Program."

5 VI.

6 In reality, Kingsley, Goldman, Richards, and Haarlem are fictitious persons. Haarlem Universal  
7 Corporation is not a prestigious trading firm; instead, Haarlem is a front corporation controlled by Waage.  
8 Further, Prime Bank instruments do not exist and the "Bank Debenture Trading Program," in which Tri-West  
9 purportedly invested, never existed.

10 VII.

11 According to information posted on the web site, the Bank Debenture Trading Program allows investors to  
12 earn 10% per month on their investment. The web site states, "Tri-West members may invest any amount of  
13 funds they desire in multiples of USD \$1,000. All investments are for a period of one year at which time the  
14 principle is returned according to the directions of the member. The rate of return on investment is presently  
15 pegged at 10% (ten percent) per month of the total investment. The rate of return will not change during the  
16 term of the investment (one year) and returns are paid on the first banking day of the month, each and every  
17 month." Tri-West states on its website that "there is no risk of losing the investor's principal investment." The  
18 web site instructs potential investors to direct further inquiries to [info@trinvest.com](mailto:info@trinvest.com).

19 VIII.

20 Information obtained from Tri-West states that investors could invest as little as \$1,000. Each investor  
21 would receive a monthly rate of return of 10% of their initial investment, with an initial term of 12 months.  
22 The investor had the choice of actually receiving a check, or placing the dividend in a "growth fund" each  
23 month. If an investor chose to receive a monthly check, at the end of 12 months the investor would receive the  
24 12<sup>th</sup> interest check plus the return of 100% of their original investment. Investors who chose the "growth fund"

1 reinvested their monthly returns, earning compound interest. Additionally, investors who chose the “growth  
2 fund” option would receive an additional 10% of the total accumulated interest and principal at the end of the  
3 12-month investment period simply for choosing the “growth fund.”

4 XII.

5 The information further described how investors could earn commissions from Tri-West. For each person  
6 an investor successfully referred to Tri-West, that investor would receive 15% of the referred person’s initial  
7 investment and 15% of that person’s monthly interest payment. This would be true for every person an  
8 investor referred. Tri-West would pay an additional referral bonus of \$1,000 on each accumulated level of  
9 \$50,000 referred investment. These bonuses would be placed in the “growth fund” of the referrer for a one-year  
10 period and receive the 10% rate of return each month. Tri-West would pay the bonus directly to the members’  
11 offshore account or by mail to the members listed address.

12 VII.

13 Tri-West’s website instructs investors to send payment by international money order or certified check  
14 made payable to Haarlem. From January 2000 through approximately April 2000, Tri-West instructed  
15 investors to send payment to an address in San Diego, CA. From this address, mail addressed to Tri-West was  
16 forwarded to a post office box in Puerto Vallarta, Mexico rented by Waage. From approximately April 2000  
17 through approximately November 2000, Tri-West instructed investors to send payment to an address in Nassau,  
18 The Bahamas. From approximately November 2000 through early June 2001, Tri-West instructed investors to  
19 send payment to a post office box in the Central American country of Belize. From this address, mail for Tri-  
20 West was forwarded to Waage’s post office box in Puerto Vallarta.

21 X.

22 Some checks sent to Tri-West by investors were deposited in a bank account in Haarlem’s name at Paritate  
23 Bank JSC (“Paritate”) in Riga, Latvia. Paritate maintains at least two correspondent accounts at Bankers Trust  
24 Company in New York. From May 2000 through April 2001, Paritate instructed Bankers Trust to write checks

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1 on one of its correspondent accounts to Tri-West investors. These checks were sent to investors in the United  
2 States and Canada purportedly in payment of monthly dividends. In reality, the payments consisted of the  
3 funds of other Tri-West investors.

4 XIII.

5 On or about May 18, 2000, Kluver "joined" Tri-West, investing \$5,000. Shortly thereafter, Kluver began  
6 to solicit other investors on behalf of Tri-West. From July 2000 through April 2001, Kluver induced at least 41  
7 other persons to invest at least \$195,000 in the Tri-West prime bank instruments. Over that same period of time,  
8 Kluver collected at least \$65,611.18 in payments from Tri-West.

9 XIV.

10 Notwithstanding Respondent's representations regarding the Bank Debenture Program, the Securities and  
11 Exchange Commission and other federal regulatory agencies such as the Federal Reserve Board, the Federal  
12 Deposit Insurance Corp., the National Credit Union Administration, the Office of the Comptroller of the  
13 Currency, and the Office of Thrift Supervision have indicated that financial instruments denominated as "bank  
14 debentures" that bear high yields are not bona fide financial instruments, and are alerting investors that the  
15 purported existence of such financial instruments has been advanced for the purpose of defrauding investors.

16 Furthermore, in connection with the offer and sale of the "Bank Debenture Program", Respondents did not  
17 disclose the following information: the use of investment funds; the sales costs and commissions; the identity  
18 and address of relevant parties to the trading program, including the program manager or facilitator; the history  
19 of the purported trading program; the identity of the issuer of the bank debentures ostensibly being traded; the  
20 risks specific to the offering, such as an absence of a market for the guarantees or debentures, inadequate funds  
21 to finance the trading program, and adverse consequences of not obtaining the amount of proceeds needed; the  
22 extent of liquidity; and the effects of government regulation in the banking and investing industries.

23 XV.

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1 Tri-West Investment Club and Haarlem Universal Corporation are not currently registered to sell their  
2 securities in the state of Washington and have not previously been so registered.

3 XVI.

4 Tri-West Investment Club, Haarlem Universal Corporation, Alyn Richard Waage and Dennis Eugene  
5 Kluver are not currently registered as securities salespersons, investment advisers or broker-dealers in the state  
6 of Washington and have not previously been so registered.

7 **EMERGENCY**

8 The Securities Administrator finds that an emergency exists because the Respondents knowingly and  
9 intentionally engage in dishonest practices by offering or selling fictitious securities to Washington residents  
10 and by doing so present an immediate danger to the safety and welfare of the investing public and Respondents  
11 are likely to continue to do so.

12 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

13 **CONCLUSIONS OF LAW**

14 I.

15 The offer and/or sale of interests in the Bank Debenture Trading Program described above constitute the  
16 offer of a security as defined in RCW 21.20.005(10) and (12), to wit: an investment contract, debenture, or risk  
17 capital.

18 II.

19 The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration for such  
20 offer is on file with the Administrator of Securities, state of Washington and it appears Respondents do not  
21 otherwise qualify for an exemption from registration.

22 III.

23 Respondents have violated RCW 21.20.040 by offering and/or selling said securities while not registered  
24 as a securities salesperson or broker-dealer in the state of Washington.

IV.

The offer and/or sale of said securities was made in violation of RCW 21.20.010 because as set forth in the Tentative Findings of Fact above, Respondents have engaged in a scheme or artifice to defraud, made untrue statements of material fact, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

V.

The Securities Administrator concludes that an emergency exists, that the continued violations of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140 constitutes a threat to the investing public, and that a summary order to cease and desist from those violations is in the public interest and necessary for the protection of the investing public.

**SUMMARY**

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED That Respondents Tri-West Investment Club, Haarlem Universal Corporation, Alyn Richard Waage and Dennis Eugene Kluver, their agents and employees each cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140, the section of the Securities Act of Washington requiring registration.

It is further SUMMARILY ORDERED that Respondents Tri-West Investment Club, Haarlem Universal Corporation, Alyn Richard Waage and Dennis Eugene Kluver, their agents, and employees each cease and desist from violation of RCW 21.20.010, the anti-fraud section of the Securities Act.

It is further SUMMARILY ORDERED that Respondents Tri-West Investment Club, Haarlem Universal Corporation, Alyn Richard Waage and Dennis Eugene Kluver, their agents, and employees each cease and desist from violation of RCW 21.20.040, the section of the Securities Act of Washington requiring registration of persons acting as securities salespersons, broker-dealers, or investment advisers.

**AUTHORITY AND PROCEDURE**

This Order is entered pursuant to the provisions of RCW 21.20.390, and is subject to the provisions of Chapter 34.05 RCW. The Respondents, Tri-West Investment Club, Haarlem Universal Corporation, Alyn Richard Waage and Dennis Eugene Kluver, may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.

If a Respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter the Summary Order to Cease and Desist as permanent as to that Respondent.

**CONTINUING INVESTIGATION**

The Securities Division is continuing to investigate the practices of Respondents to determine the full extent of the violations of the Securities Act that have occurred in this matter.

**WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

DATED this 17th day of September 2001.



DEBORAH R. BORTNER  
Securities Administrator

Approved by:

Presented by:

\_\_\_\_\_  
Michael E. Stevenson  
Chief of Enforcement

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Rex A. Staples  
Senior Securities Examiner

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